



OUR RECIPE FOR SUSTAINABILITY

2021 CORPORATE SOCIAL RESPONSIBILITY REPORT

RECIPE

EST. 1883

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FRANK HENNESSEY
Chief Executive Officer

We continue to be energized by our CSR vision, proud of our accomplishments to date, and optimistic about the positive impacts we hope to make as we continue to implement our recipe for sustainability across our key CSR pillars: People, Food and Planet.”

Despite the challenges brought on by another year of the pandemic, Recipe continued to make meaningful investments in our teammates, franchise partners and sustainability goals. We are proud that our efforts have been recognized by our teammates and industry, resulting in Recipe being certified as a Great Place to Work™, a Best Workplace for Hybrid Work and named Company of the Year as part of Foodservice and Hospitality and Hotelier magazines 32nd Pinnacle Awards. These recognitions are a direct result of the exceptional efforts of our frontline, brand and shared service teams, and our franchisees’ dedication to delivering a great guest experience in a difficult operating environment.

Last year we published our inaugural CSR report and committed to 26 ambitious People, Food and Planet goals which we aim to achieve by the end of 2025. We are excited to share our progress with you in this year’s report.

In 2021, we achieved 4 goals and many more are well on track. We extended over \$1.7 million in salary and benefits continuances, we expanded our total rewards and wellness offering with a focus on mental health, we were the first retailer in Canada to roll out rapid antigen testing to our frontline teammates and we provided \$4.9 million in support to our franchise partners.

Our teams and partners came together to donate over \$1.2 million along with nearly 220,000 meals and over 25,000 burgers to communities across the country. We enhanced our Recipe University programs and curricula, and launched several new courses focused on diversity, equity and inclusion. Throughout the year, we engaged over 40,000 corporate and franchise learners. We also leaned into our diversity commitments, exceeding our interim goal by boosting the diversity of Recipe’s leadership team to 44%.

As Canada’s largest full-service restaurant company, we have an important role to play in supporting a sustainable Food supply chain for generations to come. We take pride in using high-quality products that support producers and suppliers who meet the highest standards of animal welfare and are engaged in environmentally and/or socially sustainable food production. This year, we’ve made great progress transitioning the seafood and coffee we use to third-party certified sources and we’re on track to be 100% certified in these categories by the end of 2022. We are also expanding our partnership with the Canadian Roundtable for Sustainable Beef (CRSB) with the aim of transitioning our iconic brands to CRSB-certified sources by the end of 2025. Harvey’s has been a proud member of the CRSB since 2019, and Montana’s transition to CRSB beef is scheduled to take place in 2022.



Being better to our Planet continues to be a key priority at Recipe. Over the last three years, we completed 299 initiatives that deployed innovative technologies across our restaurants, enabling us to reach our ambitious goal of reducing our energy and water consumption by 15% from our 2018 baselines. We are also doggedly working to further enhance the overall sustainability of our packaging, switching to materials that are renewable, recyclable and recycled, as well as paper-packaging made with fiber from certified sources. Given these efforts, we are extremely proud that our iconic brand, Swiss Chalet has won the PAC Global Award for Sustainable (Packaging) Design. In addition to achieving our goal to transition to per- and polyfluoroalkyl substances (PFAS)-free guest packaging and single-use items across all in-scope brands by the end of 2021, we extended this important work to our newly acquired brands and are targeting to be PFAS-free across our restaurants in Canada this Fall!

In 2022, we'll be kicking off the next phase in our recipe for sustainability, amplifying our focus on our Planet by measuring and identifying the new or enhanced opportunities for reducing our greenhouse gas emissions. We continue to be energized by our CSR vision, proud of our accomplishments to date, and optimistic about the positive impacts we hope to make as we continue to implement our recipe for sustainability.

Thank you,

Frank Hennessey, CEO



ABOUT THIS REPORT

This is Recipe Unlimited Corporation's annual corporate social responsibility (CSR) report, outlining our CSR journey and performance, and highlighting the impact we hope to make across our People, Food, and Planet priorities by 2025.

To determine the topics included in this report, Recipe Unlimited undertook external research, sought input from key stakeholders and executives, and leveraged the expertise of our CSR Steering Committee.

The information in this report reflects the CSR performance of Recipe Unlimited in Canada (where 98% of our restaurants are operated) for the financial year that ended December 26, 2021. Our reporting efforts are focused on corporate restaurants and franchise locations, and we excluded our St-Hubert food manufacturing/retail operations in this report. Unless otherwise stated, we have also excluded our six joint venture locations and any U.S. and international locations from the results. All financial information is presented in Canadian dollars.

During 2021, Recipe successfully divested the Milestones brand, the 1909 Taverne Moderne joint venture and certain Original Joe's joint ventures, and acquired the full ownership interests of The Burger's Priest and Fresh brands. For the purposes of this report, the performance of these brands is included only within the timeframe that they were part of Recipe's portfolio.

Our CSR report is published annually. The information in this report has not been externally assured.

We value feedback from all our stakeholders. For questions or comments concerning this report, please contact us at CSR@recipeunlimited.com.

ABOUT RECIPE UNLIMITED

Recipe Unlimited Corporation (TSX: RECP) is Canada's largest full-service restaurant company. Founded in 1883 as The Canada Railway News Company and later renamed CARA Operations, for 138 years, we have been committed to providing delicious food for all of life's moments.

Recipe franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Montana's, Kelseys, East Side Mario's, New York Fries, Bier Markt, Landing, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, Fresh and Ultimate Kitchens.

Our iconic brands and 1,261 restaurants offer a variety of menus and dining styles that appeal to the full spectrum of food preferences and eating habits.

Recipe divides its operations into four business segments: corporate restaurants, franchise restaurants, retail and catering, as well as central operations. 83% of our restaurants are operated by franchisees and joint venture partners across five countries: Canada, USA, India, Saudi Arabia and the UAE.

In Canada, where 98% of our restaurants are operated, we have a strong regional presence with restaurants located coast-to-coast, and head offices in major business centers including Montreal, Toronto, Calgary, and Vancouver.



1,261 RESTAURANTS IN 5 COUNTRIES

- CORPORATE: 219
- FRANCHISE: 1,036
- JOINT VENTURE: 6

TOTAL SYSTEM SALES
\$ 2,723.9 MILLION*

TOTAL GROSS REVENUE
\$ 1,009.1 MILLION

OUR RESTAURANT & CATERING BRANDS

RESTAURANTS IN CANADA

1,236 (98%)

HEADCOUNT IN CANADA

- CORPORATE: 9,187**
- FRANCHISE: 27,900***

YEARS IN OPERATION
138

RECIPE AT-A-GLANCE 2021

LOCATIONS ACROSS CANADA



Results are as of December 26, 2021. * System Sales is a "supplementary financial measure" as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures. For an explanation of the composition of "System Sales" (which explanation is incorporated by reference in this Report), please refer to Recipe's Management's Discussion and Analysis for the 13 weeks ended March 27, 2022 filed on SEDAR (www.sedar.com) on May 4, 2022 on page 3 under the heading "Non-GAAP Measures – Supplementary Financial Measures".

** Estimated average corporate headcount in Canada in 2021. Does not include joint venture employees or 422 St-Hubert manufacturing/retail employees. *** Estimated franchise employee headcount in Canada in 2021.

OUR MISSION

EVERYTHING WE DO IS TO FURTHER OUR PURPOSE TO MAKE OUR STAKEHOLDERS FINANCIALLY SUCCESSFUL BY DELIVERING ON OUR FOUR-PILLAR FOCUS OF SERVING THE HIGHEST FOOD QUALITY, EXCEPTIONAL SERVICE, REAL VALUE FOR THE EXPERIENCE, AND AN AMBIANCE THAT EXCITES GUESTS TO RETURN.

OUR VALUES



As global citizens, we act with integrity and we will **DO THE RIGHT THING** for our people, our communities and our planet.



Our work, our attitude, our success or failure, together or individually, whatever we do – we **OWN IT**.



We are insatiably **CURIOUS** and continually find new ways to evolve and improve the experiences of our team, our guests, our franchisees and our shareholders.



We are a business of and about **PEOPLE**. We support and celebrate our diversity, experience and ideas.



We are **PASSIONATE** and committed to delivering great experiences in our restaurants and offices that support success.

Our five values are embedded into key People processes and activities including recruitment, employee recognition and feedback, and performance management.

OUR MISSION & VALUES

OUR CSR VISION

WE DO THE RIGHT THING FOR OUR PEOPLE, COMMUNITIES AND PLANET BY OPERATING SUSTAINABLY AND DELIVERING EXCEPTIONAL DINING EXPERIENCES.

Our CSR vision will be realized through 5 key CSR pillars:

PEOPLE

- Talent & Employee Engagement
- Diversity, Equity & Inclusion
- Benefits & Compensation
- Employee Wellness
- Community Engagement & Philanthropy

FOOD

- Sustainable Food Sourcing
- Food Safety
- Choice & Nutrition
- Responsible Marketing
- Food Rescue

PLANET

- Green Design & Construction: Energy Management, Water Management, GHG Emission Reduction
- Sustainable Packaging
- Waste Management

GOVERNANCE & ECONOMIC

- Strategy, Policies & Processes

- Sustainable Growth

- Metrics & Transparent Reporting

ETHICS & LEGAL

- Ethics & Human Rights

- Legal & Regulatory Compliance

CSR STRATEGIC FRAMEWORK

CSR GOVERNANCE

Our governance approach to CSR provides a solid foundation for cross-functional decision-making and insight, visibility to and accountability for our CSR performance, and enables the resources to effectively support the multiple People, Food and Planet priorities we are undertaking.

Recipe Unlimited’s CSR Task Force is composed of 12 members representing key functional areas and domains of expertise across the company. The CSR Task Force identifies, informs and helps implement key priorities across our People, Food and Planet CSR pillars.

The CSR Task Force meets on a weekly basis to assess progress, identify issues and risks, discuss interdependencies and prepare materials to support upcoming quarterly updates and discussions with the CSR Steering Committee (CSR SteerCo) and other senior leaders.

The CSR SteerCo is composed of the CEO and members of Recipe’s Executive Leadership Team and Senior Leadership Team representing brands and shared services functions. The CSR SteerCo defines the CSR vision, provides strategic guidance and budget approvals for CSR priorities, and addresses escalated risks and issues. Select CSR SteerCo members also share updates concerning CSR priorities and progress with the Board’s Governance, Compensation & Nominating Committee, gathering feedback where appropriate.

Recipe’s Board of Directors is kept updated on CSR priorities and progress through the CEO’s standing quarterly progress report. The Board is responsible for monitoring the social responsibility, integrity and ethics of Recipe.

We communicate our CSR initiatives and performance on a regular basis through our internal CSR governance structure, annual reporting as well as updates through our social channels and website.

For additional information on Recipe’s Corporate Governance practices and guidelines, as well as Board and committee composition, please refer to our [website](#) and Recipe’s Management Information Circular which can be found on www.sedar.com.

RECIPE BOARD OF DIRECTORS

Governance, Compensation
& Nominating Committee

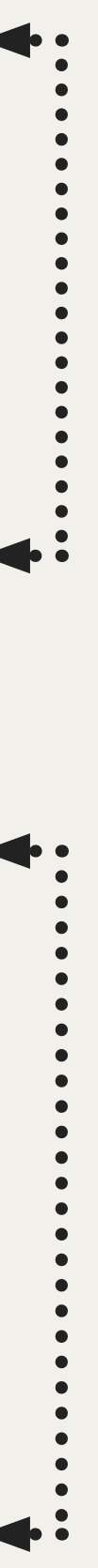
CSR STEERING COMMITTEE

- . Chief Executive Officer
- . Chief People Officer (CSR Executive Sponsor)
- . SVP, Strategic Sourcing (CSR Executive Sponsor)
- . Chief Financial Officer
- . Chief Development Officer
- . President, Casual Brands & Government Relations
- . President, Limited Service Restaurants & Emerging Brands
- . President, Keg Restaurants
- . President, St-Hubert
- . President, Franworks
- . Chief Digital Officer
- . General Counsel & VP Legal

CSR TASK FORCE & FOCUS AREAS

12 cross-functional and cross-brand subject matter experts representing the following areas:

- . Strategic Sourcing
- . Design & Construction
- . Sustainability Management
- . Food Safety, Quality, Assurance & Regulatory Affairs
- . Waste Management
- . People Team (Human Resources)
- . Finance
- . Brands: The Keg, St-Hubert, Fresh, The Burger’s Priest



CORPORATE GOVERNANCE & ETHICS

Recipe is committed to sound and transparent corporate governance management. Our corporate governance policies and practices are reviewed regularly by Recipe's Board of Directors and updated as necessary or advisable to ensure compliance with all applicable rules.

In keeping with our commitment, we have articulated several key codes and policies that provide clear expectations across stakeholders for how we do business.

Recipe's Key Codes and Policies

Each year, Recipe's directors, officers and corporate employees are asked to review and attest to comply with the following:

- **Code of Conduct**
- **Respect in the Workplace Policy**
- **Social Media Policy**
- **Whistleblower Policy**
- **Insider Trading Policy**

Ethics Hotline

Recipe's continued success depends on ethical behaviour at all levels of the organization. Recipe is committed to complying with applicable laws and regulations to which it is subject and to protecting associates, funds, assets and resources as appropriate.

Each year, Recipe's directors, officers and corporate employees are reminded of their responsibility to report any observed behaviour that they believe may be illegal or a violation of the Code of Conduct or company policy. When in doubt about the best course of action in a particular situation they are also encouraged to make a report.

In addition to discussing an issue with their manager or leader in their function, employees can also connect with Recipe's Legal Department and contact the independent, third-party Ethics Hotline for further guidance.



Our people are our recipe for success. The disruption and uncertainty brought on by the COVID-19 pandemic continues to make it exceedingly clear just how important it is to attract the right people, grow and develop them in line with Recipe's values, and provide the resources and support that show we remain committed to our collective success.

2021 HIGHLIGHTS

- Extended **\$1.7 million+** in **salary and benefits continuances**, and the equivalent of **\$21,000+** in **free meals** to frontline teammates impacted by the lockdowns.
- Re-introduced the **Recipe Rent Certainty Program**, extending **\$4.9 million** of direct financial support to **franchise partners**.
- Certified as a **Great Place to Work™** based on our teammates' positive feedback on our culture and trust in our leaders, and recognized as one of the **Best Workplaces for Hybrid Work**.
- Named **Company of the Year** as part of Foodservice and Hospitality and Hotelier magazines' 32nd **Pinnacle Awards**.
- Engaged **40,000+ learners** through Recipe University. Learners completed over **30 million training questions** through RU Game (e-learning) since 2019.
- Donated **\$1.2 million+**, nearly **220,000 meals** and **25,000+ burgers** across our communities.



PEOPLE





TALENT & EMPLOYEE ENGAGEMENT

Throughout 2021, we continued to rely on our core value **DO THE RIGHT THING** to guide our actions in support of our people, franchisees and communities. Ultimately, our success in 2021— including being recognized as Company of the Year — is the result of our frontline, brand and shared services teammates' and franchisees' tireless efforts and abilities to pivot and persevere during these very challenging times.

Julie Denton
Chief People Officer

2021 marked another year of significant uncertainty across Canada, with the COVID-19 pandemic negatively impacting the labour market within the hospitality industry, global supply chains, commodity food prices, and consumer confidence in a near-term recovery given the surge of the omicron variant.

This year, we continued to rely extensively on our core Recipe values to help guide our actions as we navigated through COVID-19 related legislative changes, multiple lockdowns and restrictions that disrupted our day-to-day operations.

Despite the operational challenges brought on by the pandemic, Recipe managed to not only survive, but thrive, and make important investments in our business, teammates and franchise partners.

Throughout the year, we continued to enhance our Recipe University programs and launched several new DEI training courses. We expanded our total rewards and wellness offering, with particular focus on mental health, and we are preparing to launch our mentorship program and two new employee resource groups in early 2022.

Given our teammates' feedback to the Great Place to Work survey, we can see that our investments over the past year are having a positive impact and are helping to strengthen our unique culture.

EMPLOYEE ENGAGEMENT

We know that engaged employees show up to work with purpose, passion and energy to accomplish their goals. Throughout 2021, we continued to actively communicate and engage our teammates virtually and in-person (following the appropriate COVID-19 safety protocols) through our Corporate Town Halls, Recipe Connects sessions, educational panels on key DEI topics and team socials.

As COVID-19 restrictions began to ease in 2021, we also transitioned to a flexible/ hybrid work model, **“Fixed Flex,”** providing head office teammates with the best of both worlds: the opportunity for in-person engagement and collaboration as well as the freedom to work virtually up to three days a week.

In the Fall of 2021, we expanded our engagement channels to include Recipe teammates’ participation in the **Great Place to Work Trust Index® survey**. Overall, 2,330 Recipe home office and restaurant teammates in Canada provided their feedback to over 80 questions, allowing us to benchmark our employee experience and company culture. We achieved a strong Trust Index® survey score of 77% vs. the benchmark score of 65%, and were officially certified as a Great Place to Work! We also gained valuable feedback and insight to continue to enhance our teammates’ experiences.

Action planning is well underway with shared services, brand leaders and teams to address the key opportunities for improvement identified from teammates’ feedback.

We are extremely proud to be Great Place to Work certified despite the challenges our industry and people have faced as a result of the COVID-19 pandemic. The feedback received from our teammates is a testament to their collective resilience, passion and desire to continue to create a positive experience for their colleagues, franchisees and guests throughout 2021.

Julie Denton
Chief People Officer

TALENT & EMPLOYEE ENGAGEMENT



Recipe has been certified as a Great Place to Work and recognized as one of the Best Workplaces for Hybrid Work!



Since launching Recipe University in 2019, our corporate and franchise teammates have completed **over 30 million** training questions through RU Game! In 2021, Recipe University programs engaged **over 40,000 learners**. Our teammates have repeatedly stated that our L&D programs are not only invaluable from a skills-building perspective but have allowed them to grow their internal networks and stay connected and engaged throughout the lockdowns in 2021.

TALENT & EMPLOYEE ENGAGEMENT

LEARNING & DEVELOPMENT

Recipe's learning and development (L&D) program provides a blended, inclusive and engaging learning experience for our head office and restaurant teammates and leaders as well as our franchisees. Our aim is to provide the right learning content at the right time to help unlock the potential of our people. In addition to launching RU Leading and RU Transforming in 2021, we further expanded our RU Game curricula, engaging over 40,000 corporate and franchise learners across Canada through our Recipe University L&D programs.

RECIPE UNIVERSITY PROGRAMS

Our **RU Game** mobile-friendly, e-learning platform provides personalized 'bite-size' training to corporate and franchise restaurant teammates using gamification to build knowledge, improve behaviours and impact business results. Learning combines compliance and brand-specific training.

We offer professional development through our **RU Leading** program across multiple learning modalities including, classroom (virtual and in-person) and self-study. The program includes individually designed learning paths for a variety of management roles, supported by a blended learning approach to meet learners' needs.

RU Transforming is our change management learning program which provides teams and leaders with an effective methodology and the right tools and templates to support Recipe-driven initiatives and empower our people to successfully adopt new systems and ways of working.

Several of our brands have L&D programs and systems of their own. Collectively, these programs include an **additional 260+ learning topics** that address brand-specific, role- and skill-based training needs.

KEY ENHANCEMENTS & 2021 STATS

- **11 brands** leverage RU Game which includes **900+ learning topics, 250 videos** and **3,800+ questions** tailored to support the learning needs of nearly **200 unique job roles**.
- Each month, approximately **22,000 learners** are engaged through our RU Game platform.
- Launched in April 2021, RU Leading has expanded to include **56 unique courses** across five key curricula: People Development, Guest Experience, Business Fundamentals, Technology Platforms & Systems, and Legislative Requirements.
- **670+ corporate and franchise teammates** completed one or more RU Leading courses.
- **93%** of learners would recommend our RU Leading courses to their colleagues.
- **45 internal subject matter experts** have informed, created and/or facilitated our courses.
- Our RU Transforming method and tools were integrated into the execution activities of **9 Recipe projects** to support better adoption of new systems, processes and tools.

TALENT & EMPLOYEE ENGAGEMENT

LEARNING & DEVELOPMENT

MENTORSHIP

In 2021, we also began work to build a mentorship program at Recipe. The program is the result of a grassroots effort spearheaded by a cross-functional and cross-brand team of women, endorsed with the enthusiastic support from Recipe's Chief Executive Officer and Chief People Officer.

The mission of our mentorship program is to support the personal, professional and skills development of our teammates by enabling networking, coaching and formal knowledge-sharing opportunities through a one-to-one connection with a mentor.

The program launched in the Fall of 2021 with mentor/mentee registration open to all full-time head office and corporate restaurant teammates.

Mentorship stats:

- **93 mentees and 75 mentors enrolled** into the program (with 18 mentors coaching two mentees).
- Participants represent **21 shared services and brand teams**.
- Participants' role titles ranged from Assistant General Managers to members of the executive leadership team (ELT).
- A **one year commitment** among mentors and mentees is required, with a minimum of one hour each month set aside for mentoring sessions.

Mentor-mentee matches were made based on participants' unique skill sets, development needs and requests for a diversity match. The program officially kicked off in early 2022 with virtual training and expectations alignment sessions to prepare our 93 mentor-mentee pairs on their mentorship journey.

mentorship.
PROGRAM

Recipe's mentorship program will play an instrumental role in:

- Enabling continuous learning and growth
- Driving cross-organizational networking and relationship building
- Fostering internal career advancement
- Boosting employee engagement
- Identifying and developing current and future leaders and mentors
- Building a culture of DEI, coaching and collaboration



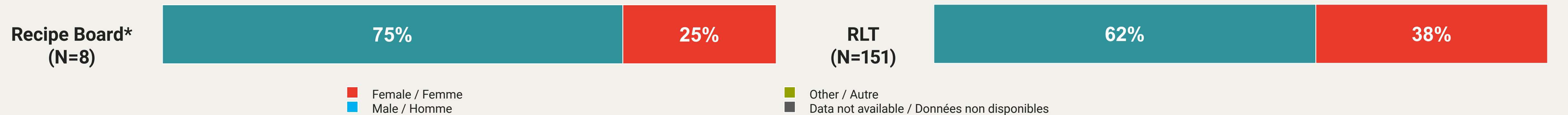
DIVERSITY, EQUITY & INCLUSION

As Canada's largest full-service restaurant company, we want to reflect the local communities and diversity of guests our restaurants serve, and provide the development and opportunities that will enable our teammates and franchisees from across all backgrounds to thrive. We believe that a diverse Board, leadership team and workforce strengthen our diversity of thought, and provide richer perspectives and insights that are critical to Recipe's long-term success.

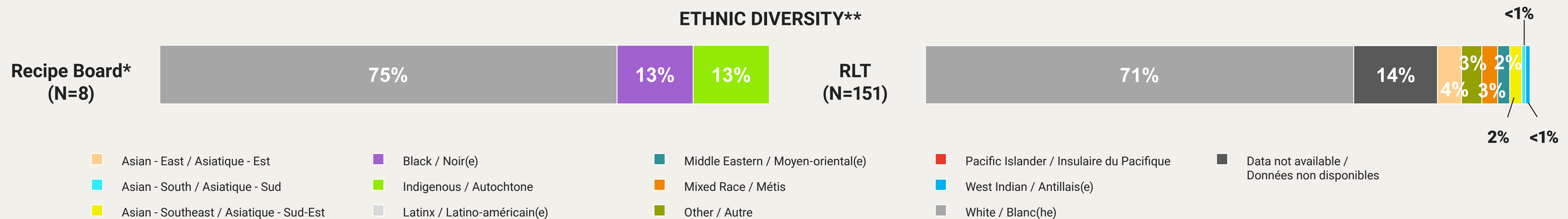
DIVERSITY OF RECIPE'S LEADERSHIP

Looking across the gender and ethnic make up of our leadership, **37% of our Board*** and **44% of our Recipe Leadership Team** (RLT, Director-level and above) were from diverse backgrounds as of December 2021. Although we have **achieved our interim goal of increasing RLT diversity** to 40% by the end of 2023, we are committed to further increasing that to 50% by the end of 2025.

GENDER DIVERSITY**



ETHNIC DIVERSITY**



* In March 2022, one Board member unexpectedly resigned from Recipe's Board to pursue a career in public service. As a result, as of our Annual General Meeting (AGM) held in May 2022, 2 of 7 (29%) members of Recipe's Board were from diverse backgrounds.

** The diversity results presented are a mix of individuals' self-identification data and corporate teammates' demographic data used for insurance purposes.

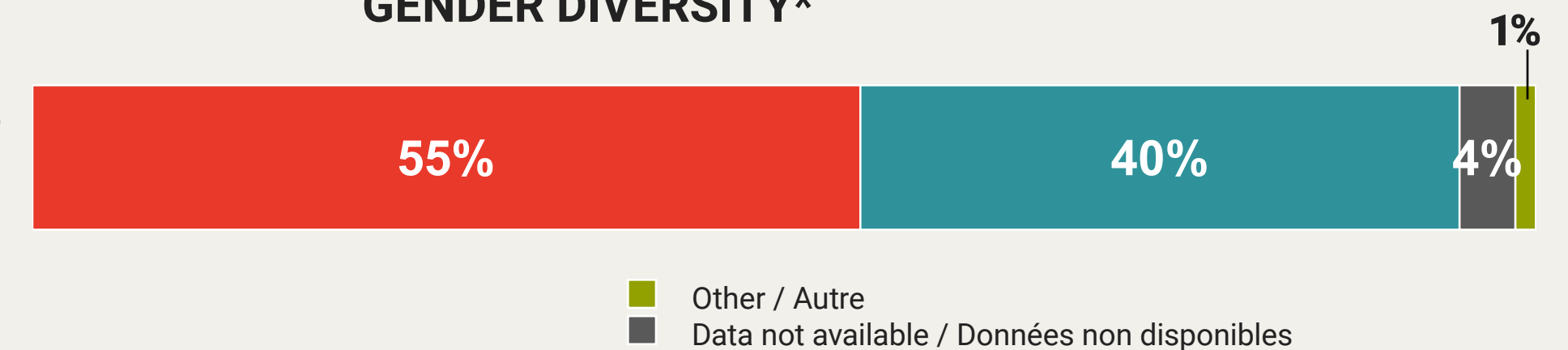
DIVERSITY, EQUITY & INCLUSION

DIVERSITY OF RECIPE'S CORPORATE TEAMMATES

In 2021, we began the process of measuring the diversity of our workforce by rolling out a voluntary self-identification survey to head office and corporate restaurant teammates across many of our brands. The HR system roll out of the diversity self-identification survey will continue in 2022. A snapshot of the diversity of our corporate teammates in Canada is presented below.

GENDER DIVERSITY*

Recipe Corporate Teammates (N = 2,368)

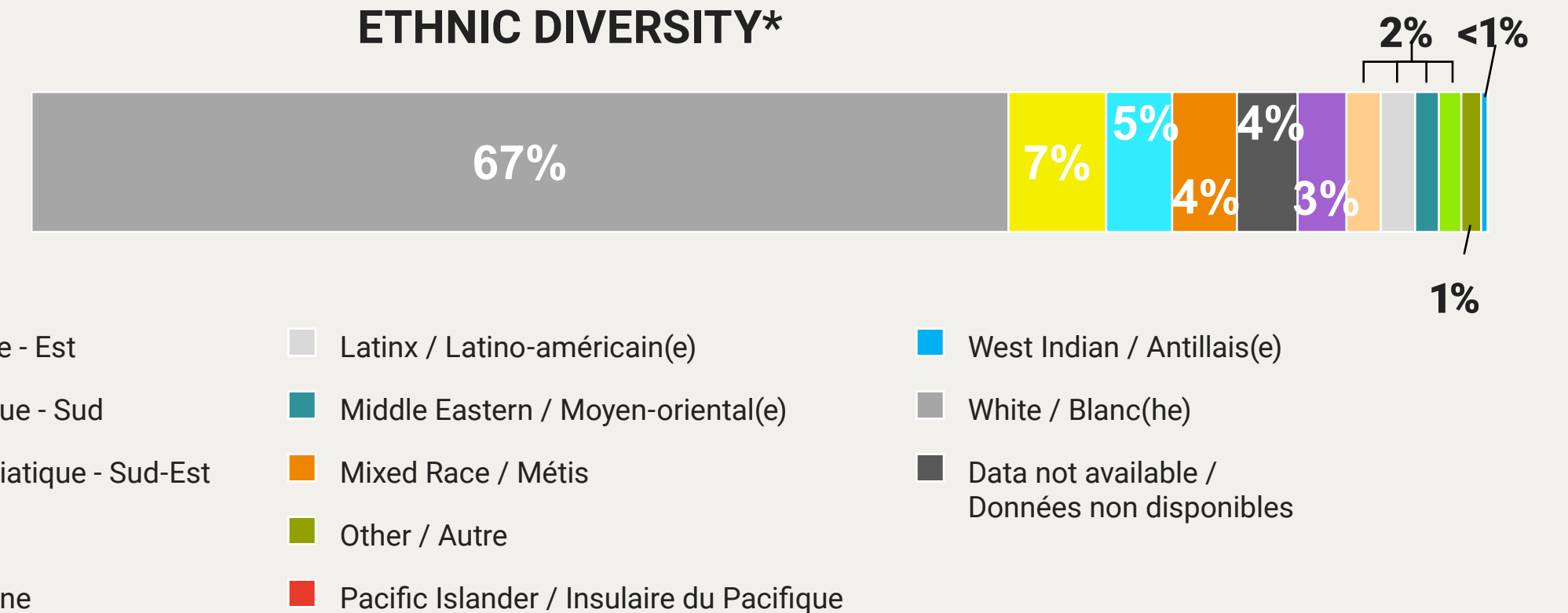


Female / Femme
Male / Homme

Other / Autre
Data not available / Données non disponibles

ETHNIC DIVERSITY*

Recipe Corporate Teammates (N = 2,368)



Asian - East / Asiatique - Est
Asian - South / Asiatique - Sud
Asian - Southeast / Asiatique - Sud-Est
Black / Noir(e)
Indigenous / Autochtone

Latinx / Latino-américain(e)
Middle Eastern / Moyen-oriental(e)
Mixed Race / Métis
Other / Autre
Pacific Islander / Insulaire du Pacifique

West Indian / Antillais(e)
White / Blanc(he)
Data not available / Données non disponibles

We aspire to make a meaningful impact in DEI at Recipe through inclusive hiring practices, DEI training, development of diverse talent through our leadership succession programs and the enablement of employee resource groups.

* The diversity results presented are a mix of corporate teammates' self-identification data and demographic data gathered through our 2021 employee engagement surveys.

DIVERSITY, EQUITY & INCLUSION

DEI TRAINING

At Recipe, we believe that each of us has an important role to play in creating the inclusive environment our people deserve in order to be and work at their best. Actively participating in DEI learning, celebrating our diverse experiences and perspectives, and speaking up when things aren't right, are ways each of us can help make Recipe a place where teammates, franchisees and guests feel like they belong.

Our DEI curriculum contains **over 32 hours** of learning content across **55 topics**, with learning times ranging from three-minute bite-size bursts to sessions of up to four hours. In 2021, **we engaged nearly 14,000 corporate and franchise learners** in DEI training through Recipe University and brand-specific L&D programs.

We kicked off DEI learning in 2020, partnering with Reframe, to provide 'Introduction to DEI' training in which over 865 teammates and franchisees participated. In 2021, we expanded our DEI curriculum, **adding over 10 hours of learning across seven new courses** hosted through our RU Leading (professional development) and RU Game (e-learning) platforms:

Open to Corporate & Franchise Teammates

- Bystander Intervention
- Conflict De-escalation
- Respect in the Workplace

Open to Restaurant Management & Head Office Teammates

- Respect in the Workplace
- Respect in the Workplace Investigations
- Supporting DEI in the Restaurant
- Unconscious Bias & DEI Action Planning (SLT leadership coaching)



RECOGNIZING & CELEBRATING OUR DIVERSITY

International Women's Day (IWD)

On March 8, 2021, we celebrated IWD virtually, with a special panel of female speakers from across Recipe brands and shared-services functions. The discussion was moderated by our CEO, Frank Hennessey, and focused on the strategies and tactics our speakers use to help them overcome the obstacles they faced throughout their careers.



Pride Month

This year, Recipe partnered with Reframe to host educational sessions for our head office teammates, General Managers and franchisees. On June 9, 2021 all Recipe teammates were invited to attend a spoken word presentation, a brief history on Pride and the B.R.A.V.E call to action.

National Day for Truth and Reconciliation

2021 marked the first National Day for Truth and Reconciliation in Canada, an opportunity for all Canadians to recognize the tragic history and ongoing legacy of residential schools as well as other systems aimed at erasing Indigenous culture. On September 30, 2021, our Board Member Kim Baird, of the Tsawwassen First Nation, hosted Truth & Reconciliation 101, a company-wide webinar to help teammates learn about the treatment of Indigenous peoples throughout Canada's history, the pressing issues that First Nations communities continue to face today, as well as an overview of the work undertaken by the Truth and Reconciliation Commission.



DIVERSITY, EQUITY & INCLUSION





DIVERSITY, EQUITY & INCLUSION

DEVELOPING DIVERSE TALENT

Identifying, developing and retaining a pipeline of diverse leaders is a critical component in Recipe's long-term DEI strategy. We are leveraging Our Recipe for Success, our succession planning process, supported by the 9-Block assessment to conduct robust bi-yearly reviews of our people to identify our top talent, and potential successors for shared services, brand and key operational leader roles with a diversity-focused lens.

Through **OUR RECIPE FOR SUCCESS** program, **150 exceptional teammates*** made our list of **top talent** in 2021. **Half of this cohort are individuals from diverse backgrounds** (e.g. female, BIPOC, people with disabilities, 2SLGBTQ+) who are instrumental in helping enrich and strengthen the diversity of thought across Recipe.

These talented teammates and leaders are engaged across a mix of formal and informal programs, for example:

- **Mentorship Program** as a mentor and/or mentee to grow their network and skillset
- **Meaningful on-the-job opportunities and projects** to enhance their functional/operational expertise
- **DEI Advisory Council** or **Recipe employee resource groups** to help shape Recipe's DEI journey
- Other **role-specific or leadership development** (RU Leading) **curricula**

Moving forward, our aim is to continue to invest in our people, building scalable programs to develop and empower a cohort of diverse leaders poised to sustainably grow the business and deliver the exceptional dining experiences our guests have come to expect.

* Excludes The Keg and Fresh as these brands will be transitioning to the 9-Block assessment over the next year.

DIVERSITY, EQUITY & INCLUSION

IN THEIR OWN WORDS

Recipe teammates share why DEI is important to them and why they joined an ERG.

“I hold culture, diversity and equality as integral parts of my core values. As a husband and father raising a bi-racial family, it’s important that I make a positive impact in the world.”

“I joined the DEI Advisory Council to be part of Recipe’s diversity journey and share my personal experiences.”

“To be part of the change at Recipe that will make us an employer of choice for everyone.”

“To lead advocacy efforts for DEI and work to enhance cultural competence, support anti-racism efforts, and seek to enable more inclusivity at Recipe.”

“It’s important to me that I contribute to innovating, cultivating and actioning the DEI initiatives and programs that will truly make a difference for myself and my colleagues.”

EMPLOYEE RESOURCE GROUPS

Growing and enabling our employee resource groups (ERGs) is an important step in Recipe’s DEI journey. Our ERGs are formed by head office and restaurant teammates who join together in their workplace to discuss shared characteristics or life experiences with the goal of inciting a sense of inclusivity, positive company change and career development.

Recipe’s inaugural ERG, the **DEI Advisory Council**, was established in 2019 and currently includes 29 teammates representing a cross-section of Recipe locations, brands and functions. The Council meets biweekly to identify and execute on DEI priorities, evolve Recipe policies and standards, and provides advocacy for DEI events and campaigns.

In late-2021, the DEI Advisory Council was instrumental in developing and launching a company-wide video campaign to drive grassroots interest in and inspire the creation of additional ERGs at Recipe, open to all Recipe teammates.

Based on teammates’ feedback and interests, two new ERGs are ready to launch at Recipe in early 2022: **Women in the Workplace**, and **2SLGBTQ+**.

Both ERGs are tasked with the following three overarching goals:

- To create an inclusive and safe space for members to share experiences or look for advice
- To incite change within Recipe and work with executive leadership on new DEI initiatives
- To be a sounding board for Recipe programs or events

The energetic and passionate members of the Women in the Workplace and 2SLGBTQ+ ERGs are currently in the process of defining specific goals they want to accomplish in 2022 and beyond, which they will present to Recipe’s ELT this Spring.

We are excited and proud to see our teammates come together, use their voice and experience to actively shape our DEI journey and continue to make Recipe a great workplace for themselves and their colleagues.

RECIPE'S TOTAL REWARDS

FINANCIAL

- Competitive base salary
- Short-term incentive plan for all salaried roles
- Profit sharing program for restaurant managers
- RRSP matching up to 3%
- Health Services Spending Account and/or Wellness Spending Account: \$500 annually
- Maternity top up (to 100% for up to 9 weeks) and parental paid time off
- Tuition reimbursement: \$1,500 annually
- Dining discount and dining allowance

LIFESTYLE & LEISURE

- On-site gym (Recipe head office)
- Subsidized bistro (Recipe head office)
- Perkopolis program and other exclusive Recipe employee discounts
- Competitive paid vacation days policy and opportunity to purchase up to 1 week of additional vacation
- 5 personal days + 2 floater days
- Flexible / hybrid work arrangements

HEALTH & WELLBEING

- 100% employer paid extended health care & dental coverage includes 4 flexible options
- Dedicated mental health spending allowance
- PocketPill online pharmacy
- STD & LTD (75% salary continuance) and life insurance
- Employee Assistance Program (EAP)

BENEFITS & COMPENSATION

As the largest full-service restaurant company in Canada, we recognize the critical role our comprehensive total rewards program plays in attracting and retaining the best talent in each of the regions in which we operate. Throughout 2021, we undertook several important initiatives to ensure Recipe's benefits and compensation offering continues to be market competitive.

BENEFITS

Recipe offers an **industry leading flexible benefits package** which includes eligibility effective on the **first day** of employment and is **100% employer funded** for our full-time salaried teammates.

In 2021, we refined our benefits program to provide teammates with more choice and flexibility. We increased the maximum funding and coinsurance coverage, expanded the annual \$500 spending account to include wellness expenses (e.g. fitness memberships, exercise equipment, nutritional programs, vitamins and supplements, and more), and provided between **\$500-\$1,500 in coverage for mental health support** depending on the benefit option selected.

We are tying remuneration to the achievement of our CSR goals. Recipe's **executive and senior leadership team identified specific CSR and DEI goals** as part of their performance goals for 2022. **Successful achievement of leaders' performance goals is linked to their bonus payout.**

COMPENSATION

In February 2021, we kicked off an important initiative to **evaluate and benchmark all head office and salaried restaurant roles**. In-depth market research and analyses were completed to inform and refine job profiles, role bands and grades as well as base salary and merit/bonus structure, where appropriate, across all 165 in-scope roles.

This review allowed us to identify and **market-adjust the compensation structure of specific teammates** and roles to ensure that Recipe's total rewards offering remains competitive across Canada.



EMPLOYEE WELLNESS

WELL AND GOOD

Throughout 2021, we continued to use “WELL and GOOD,” our employee wellness program and online newsletter, to connect teammates and share over 90 helpful resources related to **financial, physical, mental and social wellness**.

Given the continued disruption, uncertainty and stress caused by the pandemic in 2021, we enhanced our focus on the mental health needs of our teammates and offered several mental wellness activities and learning sessions.

We created **The Recipe Way**, a step-by-step mental health support video and guide, and launched **Wellness Wednesdays** a program focused on mindfulness and meditation available to all corporate teammates.

Recipe teammates were also encouraged to participate in two facilitated sessions including identifying and exploring strategies for **Overcoming Burnout**, and understanding the benefits and ways to inject humour into the workplace in the **Lighten Up Your Day** seminar.

For our Human Resources teammates and operations people leaders, we also offered a **Mental Health Workplace Leadership Certificate Program**, a 2-day workshop that included assignments and an assessment in order to be certified.

We also enhanced our benefits offering to include **coverage specifically for mental health practitioners**, and **expanded our employee assistance program** to include an additional provider whose content and services (e.g. articles, webinars, assessments, links to affordable therapy and consultations) focus on **mental wellness**.

EMPLOYEE WELLNESS

OCCUPATIONAL HEALTH & SAFETY (OHS)

For 138 years, Recipe has been committed to taking care of our guests and teammates across Canada. New restaurant teammates are provided with foundational training related to food safety, restaurant safety and Workplace Hazardous Materials Information System (WHMIS). This training is supplemented with online OHS learning available through RU Game, enabling employees to refresh their knowledge as needed.

SOCIAL SAFELY

Recipe's Social Safely program launched in response to the COVID-19 pandemic, and provides a comprehensive set of **15 enhanced health and safety procedures** to help keep our guests and communities dining safely with us across Canada.

In May 2021, Recipe became the **first restaurant company in Canada to offer rapid antigen testing**, a key part of our Social Safely program. Our restaurant teammates across Canada **completed nearly 350,900 rapid antigen tests** in 2021.

Amplifying our safety procedures in 2021 was not only good for business but the right thing to do to keep our teammates and guests safe at all of our locations.



OUR RESPONSE TO THE COVID-19 PANDEMIC

Throughout the COVID-19 pandemic, our key priority has been the health and safety of our teammates, guests and franchisees. Since the start of the pandemic, we have provided extensive franchisee and teammate support including more than **\$40 million* in direct financial support** and **\$7.5 million in royalty relief to franchisees**, as well as over **\$5 million in premium pay programs, salary continuance and dining allowances to teammates**.

In 2021, our COVID-19 response included the following:



SUPPORTING OUR TEAMMATES

- Implemented **Recipe's Relief Fund**, a salary and benefits continuance program providing **\$1.7 million+** of support to hourly corporate restaurant teammates during the 2021 and January 2022 lockdowns.
- Provided the equivalent of **\$21,000+** in **free meals** to **frontline corporate teammates** impacted by the lockdowns.



ENABLING SAFE RESTAURANT OPERATIONS

- Executed our **Social Safely program**, a comprehensive set of enhanced health and safety procedures at our restaurants, and made **personal protective equipment** available across our network.
- Facilitated **rapid antigen testing**, with nearly **350,900 tests completed** in 2021 by restaurant teammates across Canada.
- Continued **health screening** and **contact tracing** for enhanced safety.



SUPPORTING OUR FRANCHISEES

- Re-introduced the **Recipe Rent Certainty Program**, extending an estimated **\$4.9 million** of direct support to our franchise partners**.
- Continued to assist franchisees with **navigating government programs** to ensure they maximized the subsidies available to them.
- Supported **negotiations with landlords to reduce or defer rent payments** for franchise locations during the COVID-19 crisis.
- Provided **hands-on training on new procedures**, including OHS protocols, to allow restaurants to open safely.

* The committed support was partially reduced by benefits franchisees received under government assistance programs after Recipe announced its franchisee support programs.

** The Recipe Rent Certainty Program was announced in Q4 of 2021 but was applicable to franchisees in Q1 2022.

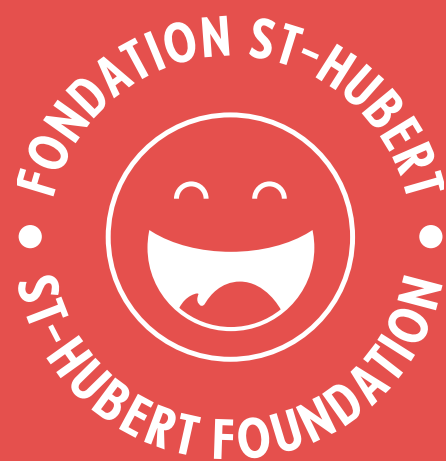
COMMUNITY ENGAGEMENT & PHILANTHROPY

At Recipe, we endeavour to **DO THE RIGHT THING** for our people, communities and planet. We believe in giving back to the communities in which we operate by sharing our time, skills and money.

Our brands have been giving back to their communities for decades, focusing on the issues that matter most to them and that align with their brand identities.

OUR FOUNDATIONS

Two of our larger brands, The Keg and St-Hubert, have well established foundations, each of which has donated millions of dollars to support 400+ local and national charitable organizations in Canada or the U.S.



The St-Hubert Foundation has donated **\$7.5 million*** since its founding in 2012 to support organizations that promote the wellbeing of families and children.



Since its founding in 2001, The Keg Spirit Foundation has donated **\$11.4 million*** to charities that focus on the development and mentorship of youth.

* As at December 26, 2021.

COMMUNITY IMPACT HIGHLIGHTS

Our brands typically focus their community impact efforts on hunger relief and youth mentorship. Throughout 2021, several brands continued to provide donations focused on assisting frontline healthcare and essential workers impacted by the COVID-19 pandemic.

Despite the challenges our industry has faced since March 2020, our brands rallied together to donate **\$1.2 million+**, nearly **220,000 meals** and **25,000+ burgers** in 2021. Here are a few examples of how our brands have given back to their communities in 2021:



- **Montana's** donated **102,458 meals**, a value of \$51,000 to **Food Banks Canada**.
- Montana's franchisees supported several local causes in 2021, including the **Starlight Children's Foundation** event in Barrie, Ontario that raised **\$4,800**, as well as the Backyard BBQ in St. John's, Newfoundland in support of the **Children's Wish Foundation of Canada** that raised **\$6,800**.



- In partnership with Ketel One, **Kelseys Original Roadhouse** donated the equivalent of **100,000+ meals** to food insecure families through **Food Banks Canada**.



- Through the sale of its '50th Anniversary' branded t-shirts, **The Pickle Barrel** raised **\$10,000** for the **Hospital for Sick Children** and **Sick Kids Foundation**.
- The brand also donated **750 meals** to healthcare workers at the **Princess Margaret Hospital**.



- Since 2003, delicious surplus food from **M&O** catered events has been donated to **Second Harvest**. This year, **2,000 meals** were donated.

COMMUNITY ENGAGEMENT & PHILANTHROPY



- Throughout 2021, the **St-Hubert Foundation** donated nearly **\$638,000 to 110 charitable organizations** and causes across Québec, New Brunswick and Ontario, including **\$200,000** to support the **Autiste & Majeur Foundation** whose mission is to improve the quality of life of young adults with an autism spectrum disorder.



- Since 2001, **The Keg Spirit Foundation** has proudly granted over **\$2.6 million in Canada** and **\$441,000 in the U.S.** to **Big Brothers Big Sisters (BBBS)**. In 2021, an annual capacity building grant of **\$128,000** was provided to BBBS of Canada to support the continued evolution and development of their youth-focused programs.



- Throughout 2021, **Fresh** donated their time, food and money to **20 local not-for-profit organizations** totaling the equivalent of **\$85,000**.



- In partnership with Ketel One, **The Landing Group** donated the equivalent of **14,533 meals** to food insecure families through **Food Banks Canada**.



- In collaboration with several Toronto-area hospitals, **Harvey's** RV program continued to support vaccination roll outs in 2021 by incentivizing Canadians with free food. Over **25,000 free burgers** were donated, a value of over **\$175,000**.
- Harvey's launched its **Burger Bursary Scholarship Program** in 2021, providing **20 deserving teammates** with education bursaries totaling **\$25,000**.

BUILDING LEADERSHIP SKILLS THROUGH THE CULINARY ARTS

We continued our partnership with DAREarts in 2021 to deliver an “All the Arts” program aimed at helping disadvantaged and racialized youth build key leadership skills by exploring the culinary arts.

Prior to the start of the program, meal kits that included tasty food ingredients, useful smallwares and other products (donated by our suppliers) were delivered by a group of Recipe volunteers to each participating family.

Twenty-nine families with kids between the ages of 7-14 years old participated in the program which was delivered through virtual culinary classes hosted by Recipe Brand Chefs and Beverage Managers.





BRAND SPOTLIGHT: FRESH

In November 2021, with great excitement, we welcomed Fresh Restaurants to the Recipe family having completed the full acquisition of the brand. Founded in 1999, Fresh Restaurants set out to make craveable plant-based food in spaces that are warm and welcoming to everyone.

FRESH WEAVES EQUITY, DIVERSITY AND INCLUSION (DEI) INTO THE HEART OF ITS OPERATIONS

It starts with building a strong pipeline to recruit diverse and underrepresented groups facing systemic barriers to employment. To do so, Fresh works with **73 local community partners** (including, WoodGreen Community Services, Yonge Street Mission, Youth Employment Services, Immigrants Working Centre, and Ready, Willing & Able) to highlight available head office and restaurant positions.

30% of new hires to Fresh come through their community partnership pipelines. The Fresh team was very humbled and proud to have recently received the award for 'Outstanding Commitment to Hiring Newcomers' by WoodGreen Community Services, one of their long-term community partners.

Teammates who join Fresh are offered **comprehensive and inclusive perks and benefits.** Some of Fresh's more unique perks and benefits include:

- Leaders have their healthcare benefits premiums paid for by Fresh
- \$10,000 in coverage for gender affirming care
- Inclusive couples and family benefits options
- Mental health coverage and resources posted in the restaurants
- Dining allowance and discounts

For more than 20 years, we've sought to bring inclusion and a sense of belonging to life through our welcoming restaurants, energizing food and our approachable guest experience. We thrive to cultivate a sense of belonging in how we operate day-to-day, the diverse and talented people we deploy and the strong partnerships we forge with business partners, local communities and neighbours.

Ruth Tal

Founder, Fresh Restaurants

BRAND SPOTLIGHT: FRESH

Fresh teammates continuously participate in learning and development opportunities related to Diversity, Equity, and Inclusion, with 'bite-sized' DEI modules completed weekly, and more fulsome, facilitated DEI workshops offered every month. Throughout 2021, Fresh teammates **collectively completed 450+ hours of DEI related learning**. Topics discussed include Indigenous Awareness, Anti-Black Racism, Neurodiversity, Gender Equity, and Accessibility & Disability. Learning engagement is strong with **88% of Fresh teammates completing e-learning** activities aligned to their role.

At each Fresh Restaurants location, teammates will find a **DEI bulletin board** that includes resources to build inclusive and safer spaces, Fresh's DEI values statement, a land acknowledgement and other useful information to foster acceptance and allyship.

In 2020, **Fresh established a permanent home office leadership role specifically dedicated to further accelerating DEI priorities, standards and learning across the business**, including reviewing and refreshing Fresh Restaurants' policies and resources, championing learning and development on equitable and inclusive leadership, and strengthening community and employee engagement.

Fresh is also committed to showcasing and supporting a diversity of businesses within the food industry. In fact, all of the unique and delicious **retail items sold in Fresh's commissaries are from businesses owned or operated by women or racialized people**.









From a design perspective, all Fresh locations have gender neutral washrooms available to teammates and guests alike. For all new locations dating back to 2020, Fresh Restaurants has ensured and prioritized accessibility standards.



PROGRESS AGAINST OUR PEOPLE COMMITMENTS

GOAL STATUS:  COMPLETE  ON TRACK  OFF TRACK / BELOW TARGET

We are proud of the progress we are making against many of the ambitious People goals we first communicated in our 2020 CSR Report.

PEOPLE	OUR COMMITMENTS	STATUS	PROGRESS
Talent & Employee Engagement	We plan to launch our next engagement survey in August 2021.		Given the number of new hires in late Summer 2021 and the close timing of our two proposed assessments, our survey partners urged us to move ahead with only one survey to help ensure a strong response rate. As a result, we decided to proceed with the Great Place to Work survey (also an engagement survey) in October 2021. Having achieved 77% on the Trust Index, Recipe has been certified as a Great Place to Work and recognized as one of the Best Workplaces for Hybrid Work.
	We plan to participate in the Great Place to Work survey in Canada in the Fall of 2021 .		
Diversity, Equity & Inclusion	By the end of 2022 , our aim is to make 'Unconscious Bias' training a core training component for all new corporate and franchise employees.		In partnership with Reframe, our Learning & Development team is building 'Unconscious Bias' training that will be available to corporate and franchise teammates through our RU Game (e-learning) and RU Leading (professional development) platforms in 2022.
	By the end of 2023 , achieve a 95% retention rate among our top talent from diverse backgrounds (e.g. female, BIPOC, people with disabilities, 2SLGBTQ+) for head office and salaried manager roles.		We use the 9-Block assessment to identify our top talent across all but two of our brands (which are transitioning to this approach in 2022). As of December 26, 2021, the retention rate across all individuals identified as top talent was 100% including those teammates from diverse backgrounds.
	By the end of 2023 , identify a pipeline of diverse successor candidates (across gender and ethnicity) who are ready to assume shared services leader and brand leader roles.		Where appropriate, the exceptional teammates from diverse backgrounds who make up our high-performing cohort have been mapped as potential successors for shared services and brand leader roles. We review our top talent and list of successors through our bi-yearly talent reviews.
	By the end of 2023 , 40% of our RLT and above will be from diverse backgrounds (e.g. female, BIPOC, people with disabilities, 2SLGBTQ+) and we are committed to further increasing that to 50% by the end of 2025.		We achieved our interim goal of increasing RLT diversity to 40% by the end of 2023. In fact, at the end of 2021, 44% of our RLT were from diverse gender and ethnic backgrounds.
	By the end of 2023 , at least 40% of Recipe's Board Members will be from diverse backgrounds (e.g. female, BIPOC, people with disabilities, 2SLGBTQ+).		As of December 2021, 3 of 8 (37%) members of our Board were from diverse backgrounds. In March 2022, one Board member unexpectedly resigned from Recipe's Board to pursue a career in public service. As a result, as of our Annual General Meeting (AGM) held in May 2022, 2 of 7 (29%) members of Recipe's Board were from diverse backgrounds.
Benefits & Compensation	By the end of 2023 , remuneration for our RLT and above will be linked to the achievement of our CSR goals .		Recipe's executive and senior leadership team members identified specific CSR and DEI goals as part of their performance goals for 2022. This will be extended to RLT members in 2023. Successful achievement of leaders' performance goals is already linked to their bonus payout.

For 138 years, we have nourished Canadians with delicious food, safely made with high-quality and trusted ingredients. Our iconic brands offer a variety of tasty menu items and dining experiences to suit our guests' evolving preferences. As Canada's largest full-service restaurant company, we recognize the important role we play in supporting a sustainable food supply chain for generations to come.

2021 HIGHLIGHTS

- **Continued commitment** to support and work with producers and suppliers that meet the **highest standards of animal welfare**.
- Enhancing system-wide focus on sustainability of the seafood, coffee and beef we source:
 - **82%** of the **seafood*** we sourced was **third-party certified** and we are **on track to achieving 100%** by the end of 2022.
 - Transitioned **all but two of our brands** that sell coffee in their restaurants to **certified coffee products**.
 - Planning well underway with the **Canadian Roundtable for Sustainable Beef** to onboard **Montana's** in 2022.
- Developed **healthy kids' menu items** for each of our brands**, aligned to the **Canada Food Guide**, which we're excited to launch in 2022.
- **Donated \$92,000+** of **surplus food** across Canada via our distribution centre partners.

* Excludes squid purchases.

** Excludes brands that don't have a kids' menu: NYF, The Burger's Priest, Anejo, Blanco Cantina and Fresh.



FO
OD





SUSTAINABLE FOOD SOURCING

We pride ourselves in serving the delicious, safe and high-quality food our guests have come to expect by working with producers and suppliers who responsibly, sustainably and humanely raise the animals and plants used for food throughout our supply chain.

Like others in our industry, in 2021, Recipe faced several supply chain challenges including ingredient shortages across several food categories as well as increased commodity prices and distribution costs. Despite these challenges, we continued to rely on our sustainable food sourcing and food safety practices, and our core company values to guide our decisions and actions related to product substitutions.

In 2021, we began the important work of refining our Supplier Code of Conduct to ensure that we continue to partner with producers and suppliers who adhere to the same high standards of safe working conditions, fair and respectful treatment of employees, and legal and ethical practices that are aligned with Recipe's own core values. As planned, our enhanced Supplier Code of Conduct will be rolled out to our suppliers by the end of 2022.

At Recipe, our value **DO THE RIGHT THING** extends beyond people to include the animals and plants used for food across our brands' menus. As leaders in the restaurant industry, we seek to continually evolve and improve our operations, most recently by enhancing our Supplier Code of Conduct and the sustainability of several of the food categories we source. Our aim is to source high-quality products that support producers and suppliers who are engaged in environmentally and/or socially sustainable food production.

Peter Vale
SVP, Strategic Sourcing

SUSTAINABLE FOOD SOURCING

With animal protein categories (i.e. poultry and eggs, beef, pork and seafood) consistently making up the largest volume and proportion of our total food spend, it is not surprising that Recipe's sustainable food sourcing practices focus on animal welfare throughout our supply chain.

In 2021, 56% of our total food spend was focused on animal proteins. We believe we have a responsibility to be good stewards of the animals raised for food throughout our supply chain.

2021 Animal Protein Purchases* (Percentage by cost)



* Does not include Fresh (which does not use animal products in its menu) and St-Hubert manufacturing/retail. Eggs accounted for < 0.1% of animal protein spend.

ANIMAL WELFARE

We are committed to supporting the humane treatment of animals and to working with producers and suppliers that meet the highest standards of animal welfare.

In partnership with our suppliers, we support the **Five Freedoms** of animal welfare for all animals used in our food:

1. Freedom from hunger and thirst
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom to express normal behaviour
5. Freedom from fear and distress

PARTNERSHIPS

We work with three key organizations to help advance animal care practices across the industry:

- Chicken Farmers of Canada (CFC)
- National Farm Animal Care Council (NFACC)
- Canadian Roundtable for Sustainable Beef (CRSB)

CERTIFICATIONS THAT ARE IMPORTANT TO US:



With over 1,200 restaurants located across Canada, we recognize the important role we play in feeding Canadians from coast-to-coast whilst supporting a sustainable supply chain.

POULTRY

Poultry continues to account for the largest share of our total animal protein spend (47% in 2021), with St-Hubert and Swiss Chalet driving the majority of our poultry purchases. **All of the fresh poultry Recipe sourced in 2021 was produced in Canada, a global leader in poultry welfare and processing** thanks to the research, animal care programs and certifications, and auditable standards set by several organizations including the National Farm Animal Care Council (NFACC) and the Chicken Farmers of Canada (CFC). Refer to our [website](#) for our position on animal welfare standards related to broiler chickens.

PORK

Pork accounted for 11% of our animal protein spend in 2021. A recent survey of our pork suppliers suggests that 44% of the pork we purchased in 2021 came from producers with advanced, open sow housing operations. Our three largest pork suppliers in 2021, who accounted for 76% of our pork spend, are at various stages in their journey to transition away from the use of gestation crates in their operations. One supplier has fully transitioned to advanced, open sow housing systems across all of the facilities they own. Another has transitioned about 40% of their facilities, with plans to convert their remaining operations by 2029. Our third key supplier supports independent farmers as they work to adhere to the standards and practices set out by the NFACC and the Canadian Pork Council concerning care and handling of pigs.

BEEF

Beef is a key ingredient in several of our brands' menu items, accounting for 32% of our total protein purchases this year. That is why we are expanding our partnership with the Canadian Roundtable for Sustainable Beef (CRSB), defining plans to transition all our brands to CRSB-certified sources by the end of 2025*. **Harvey's has been a proud member of the CRSB since 2019, and Montana's transition to CRSB beef is scheduled to take place in 2022.** Moreover, **all the beef sourced for Harvey's Angus burger in 2021 was raised without the use of antibiotics, hormones or steroids.**

SUSTAINABLE FOOD SOURCING

SEAFOOD

In 2021, nearly 10% of our animal protein spend was on seafood. For over five years, we have steadily increased the proportion of **seafood purchases from certified sustainable sources, reaching 82%**** in 2021. We are **well on our way to achieving our goal of 100%** of our seafood (excluding squid) purchases derived **from third-party certified sources by the end of 2022.**



* Our achievement of this goal is dependent on the supply and volumes of CRSB certified products available across Canada.

** Excludes squid purchases.



SUSTAINABLE FOOD SOURCING

COFFEE

Overall, 19% of our coffee spend in 2021 went to sourcing sustainable coffee and we spent the latter half of the year **actively transitioning 12 brands** to certified coffee. At the end of 2021, **all but two of our brands that sell coffee in their restaurants were converted to Rainforest Alliance certified sources**, and we are transitioning our remaining two brands to these products by the end of 2022 as planned.

PRODUCE

Fresh produce continues to play a growing role across the restaurant industry in North America as a result of changing dietary habits, guests' desire for healthier menu options, and the rise of plant-based meat alternatives.

Although our sustainable sourcing programs have typically focused on animal proteins, which account for the majority of Recipe's overall food sourcing spend, in 2022 we will begin work to identify the social and/or environmental standards, certifications and practices that exist for fresh produce across our supply chain.

Our aim is to better understand what our suppliers and producers are currently doing to support sustainable agriculture (e.g. ensure soil health, biodiversity, water and energy conservation) and human rights, and to understand their future commitments. These insights will help inform and enhance our sustainable sourcing practices related to fresh produce.



FOOD SAFETY

As Canada's largest full-service restaurant company, we are committed to ensuring our restaurants serve delicious meals prepared with high-quality ingredients and adhere to all applicable Canadian health and food safety standards and regulatory requirements. Our food safety programs help us ensure the safety and wellbeing of our guests.

Our approved vendors, who supply or manufacture our ingredients, must share this commitment as demonstrated through their certification to a recognized food safety standard such as the Global Food Safety Initiative (GFSI). For our small and local vendors, we provide support and guidance so they can work toward accomplishing certification or meet other acceptable standards.

Recipe's food safety program and associated standards meet, and frequently exceed, regulatory minimum requirements. Our food safety program supporting our restaurants includes exacting standard operating procedures, independent third-party audits and comprehensive training programs for our teammates.

At Recipe, we have an in-house team of technical, food safety, quality assurance and regulatory affairs professionals who support food safety continuous improvement, product development, and vendor selection and approval across our business.

FOOD SAFETY TRAINING & CERTIFICATION

Restaurant teammates participate in our food safety training program designed specifically for our restaurant brands. The training equips our teammates with the learnings of potential food safety risks in the restaurant environment and how to execute the right controls that will prevent risks. Our goal is to ensure every teammate understands their role and responsibilities in supporting and executing Recipe's food safety practices and controls.

All leaders within the restaurant are required to be certified food handlers. The training and subsequent written test covers safe food handling, foodborne illnesses, bacteria, cleaning and sanitizing methods, and food allergies. The course content is approved and endorsed by the applicable regulatory jurisdiction. Supplementary food safety training is also available on-demand through RU Game, our e-learning platform.

FOOD SAFETY AUDITS

Recipe conducts regular unannounced food safety audits across our brands in Canada using a third-party organization*. Third-party audits are completed twice annually and examine food safety program compliance, adherence to standard operating procedures and risk management at restaurant level. The third-party audit assessment deployed is very comprehensive and includes upwards of 100 points of evaluation.

FOOD SAFETY HYGIENE MANAGEMENT

Recipe partners with global leaders in hygiene management and sanitation technology to assist our restaurants in managing our hygiene and sanitation program, ensuring all program requirements continuously achieve or exceed our expectations.

* Excludes The Keg which has its own (internal) food safety audit program that includes a minimum of two annual, unannounced audits per location each year, and assesses the adherence of 200+ food safety related tasks in each audit.

CANADA'S LARGEST PLANT-BASED RESTAURANT BRAND, FRESH, IS NOW PART OF RECIPE!

Across Canada, Recipe's brands offer a full spectrum of cuisine and dining choices, whether you're wanting a quick bite or craving something much more indulgent. We are responding to our guests' changing eating habits and desire for more choice and healthier plant-based alternatives.

In fact, many of our brands offer plant-based vegetarian and vegan options as well as 'gluten-friendly' choices, and nobody does this better than Fresh, Canada's largest plant-based restaurant brand, now part of the Recipe family.

For over 20 years, **Fresh** has been on a mission to prove that a plant-based diet can be satisfying, energizing and crave-able...to vegans and omnivores alike. Plant-powered food has never tasted so good.



Since 1999, Fresh has been serving up a modern vegetarian and vegan menu and making delicious fruit and vegetable juices that appeal to every palate. The food is made daily in-house, from whole, natural 100% plant-based ingredients.

Also on offer is a full line of raw, organic cold-pressed juices made with local artisanal ingredients, as well as a retail product line and meal kits available online or in-store through participating retail partners.

CHOICE, NUTRITION & MARKETING



CHOICE, NUTRITION & MARKETING

Grilled Salmon and Grains
Juicy, grilled salmon paired with a hearty quinoa and red rice blend, sweet cherry tomato and cucumber. Served with zesty agave lime vinaigrette and Granny Smith apple.



Chicken Superfood Bowl
Tender grilled chicken breast, crispy cucumbers, shredded carrots and assorted berries over a bed of fluffy brown rice. Served with tangy teriyaki sauce on the side.



The
**PICKLE
BARREL**
REAL FRESH FOOD.



Asian-style Chicken Bowl
Roasted chicken breast paired with wholesome mixed grain rice. Served with grated carrots, green peas, bell peppers and juicy mandarin and pineapple. Topped with St-Hubert's classic chicken brochette sauce.

WE ARE ENHANCING HEALTHY MEAL CHOICES ACROSS OUR KIDS' MENUS

We recognize that our guests want more choice and balanced options, especially as it relates to kids' menus. As a result, our Brand Chefs are hard at work developing a **delicious and healthy kids' menu option*** that aligns with the **Canada Food Guide** 'plate method' and guidelines:

- ½ plate devoted to fruit and/or vegetables
- ¼ plate focused on lean protein (plant-based proteins are encouraged)
- ¼ plate devoted to whole grains
- Sodium, sugars and saturated fat to be less than 30% of the recommended daily value
- Deep-fried and heavily processed items and added sugars are to be avoided
- Calorie value to not exceed 1/3 of the recommended daily value of calorie intake

Here are just a few examples of the tasty and nourishing kids' menu options our brands are creating.

*Does not include brands which do not have a kids' menu: NYF, The Burger's Priest, Anejo, Blanco Cantina and Fresh.

CHOICE, NUTRITION & MARKETING

Across our brands, guests can find delicious menu options along with the nutritional and allergy information they need to choose the meals that fit their lifestyles, eating preferences and dietary requirements.

Comprehensive nutritional information is available to our guests through our menus, menu boards and advertisements. Across our larger brands, we have also made **nutritional and allergen information mobile compatible and available online on brands' individual websites**, allowing our guests to access the information they need from the comfort of their homes or while dining in one of our restaurants.

RESPONSIBLE MARKETING

Recipe is committed to responsible labelling and advertising practices across our brands. We understand and actively follow the standards and guidelines related to advertising in Canada, and we do not target children in our digital, TV and radio ads.



FOOD RESCUE

We are continuously striving to improve our processes to accurately predict our food requirements with the aim of having as little food waste as possible throughout our supply chain. In 2021, we refined our processes to better quantify the specific surplus products (and their value) that we made available for donation from our distribution centres to participating charitable organizations across Canada.

THROUGHOUT 2021, OVER \$92,000* OF TASTY, SAFE, SURPLUS FOOD WAS DONATED ACROSS CANADA.







* Surplus food was offered for donation to various charitable organizations across Canada via our distribution partners. Another \$485,000 was donated through St-Hubert's manufacturing/retail operations.



PROGRESS AGAINST OUR FOOD COMMITMENTS


GOAL STATUS:  COMPLETE  ON TRACK  OFF TRACK / BELOW TARGET

We are proud of the progress we are making against many of the Food goals we first communicated in our 2020 CSR Report.

FOOD	OUR COMMITMENTS	STATUS	PROGRESS
Sustainable Food Sourcing	By the end of 2021 , gather information from our suppliers about their use of gestation crates and goals for transition.		We conducted a survey of our pork suppliers in late 2021. 44% of the pork we purchased (by weight) in 2021 came from producers with advanced, open sow housing operations. Our three largest pork suppliers in 2021, who accounted for 76% of our pork spend, are at various stages in their journey to transitioning away from the use of gestation crates in their operations. One supplier has fully transitioned to advanced, open sow housing systems across all of the facilities they own. Another has transitioned about 40% of their facilities, with plans to convert their remaining operations by 2029. Our third key supplier supports independent farmers as they work to adhere to the standards and practices set out by the NFACC and the Canadian Pork Council concerning care and handling of pigs.
	By the end of 2022 , enhance our vendor criteria and food safety requirements to ensure that we continue to partner with producers and suppliers who are at the forefront of environmentally and socially sustainable food production.		In 2021, we began the important work of refining our Supplier Code of Conduct to ensure that we continue to partner with producers and suppliers who adhere to the same high standards of safe working conditions, fair and respectful treatment of employees, and legal and ethical practices that are aligned with Recipe's own core values. The code will be rolled out to our top food suppliers and posted to Recipe's website by the end of 2022.
	By the end of 2022 , 100% of the coffee purchased by Recipe will meet social and/or environmental certification standards .		Overall, 19% of the coffee we purchased in 2021 was certified. Throughout 2021, we transitioned 12 of our brands that sell coffee in their restaurants to certified sources. Plans are in place to transition our remaining two brands to these products by the end of 2022 as planned.
	By the end of 2022 , 100% of the seafood (excluding squid) purchased by Recipe will be third-party certified .		82% of the seafood we purchased in 2021 was third-party certified and we are well on our way to achieving our goal of 100% by the end of 2022.
	By the end of 2024 , Recipe will be a certified member of MSC's Chain of Custody Standard .		We are engaging with our brands and MSC to identify and prioritize the potential seafood product(s) that would be the best fit for receiving the Chain of Custody Standard.
	By the end of 2025 , 100% of Recipe's brands will be members of the Canadian Roundtable for Sustainable Beef (CRSB) . Recipe will also increase the proportion of beef purchases that are from CRSB-certified sources as more supply becomes available through expanded farmer and processor CRSB program enrollment. <i>Note: Our achievement of this goal is dependent on the supply and volumes of CRSB certified products available across Canada.</i>		Harvey's has been a proud member of the CRSB since 2019, and we are actively engaging with the CRSB to estimate future volumes of CRSB-certified beef to inform the onboarding plans of our remaining brands. Transition to CRSB-certified beef is well underway for Montana's.

PROGRESS AGAINST OUR FOOD COMMITMENTS

GOAL STATUS:  COMPLETE  ON TRACK  OFF TRACK / BELOW TARGET

FOOD	OUR COMMITMENTS	STATUS	PROGRESS
Sustainable Food Sourcing	Investigate and develop sustainable sourcing practices related to fresh produce. Our goal is to better understand the social and/or environmental certifications in this category and what our suppliers are doing to support sustainable agriculture.		This effort will be kicking off in 2022 as planned. Our aim is to better understand what our suppliers and producers are currently doing to support sustainable agriculture (e.g. ensure soil health, biodiversity, water and energy conservation) and human rights, as well as their future commitments and plans in these areas.
Choice & Nutrition	By the end of 2022 , Recipe will ensure each brand's kids' menu has at least one designed, healthy choice that aligns with the Canada Food Guide . <i>Excludes brands that don't have a kids' menu: NYF, The Burger's Priest, Anejo, Blanco Cantina and Fresh.</i>		Our brand chefs are well underway with developing a healthy kids meal aligned to the Canada Food Guide on their menus. All in-scope brands will be launching their tasty kids' menu item by the end of 2022 as planned.
Food Rescue	By the end of 2021 , Recipe will implement a process that will allow us to better identify and quantify the specific surplus food products (and their value) that are donated from our distribution centres to participating charitable organizations.		In 2021, we refined our processes to better quantify the specific surplus products (and their value) that we made available for donation from our distribution centres to participating charitable organizations across Canada. Throughout 2021, over \$92,000 of surplus food was donated via our distribution partners, with another \$485,000 of surplus product donated through St-Hubert's manufacturing/retail operations.

We want to use our scale for good by growing and operating our business sustainably, measurably reducing our energy and water consumption, evolving and minimizing the guest packaging we use, and actively reducing our operational waste.

2021 HIGHLIGHTS

- **Reduced our energy and water consumption by 15% between 2018-2021**, achieving our Strategic Energy Management Plan (SEMP) and targets.
- **Won the PAC Global Award for Sustainable Design** for Swiss Chalet's innovative paper-based packaging.
- Continued system-wide focus on **packaging sustainability**:
 - **Achieved our PFAS-free goal** for all original in-scope restaurant brands in Canada at the end of 2021; our two newest acquisitions will be PFAS-free starting in the Fall of 2022.
 - **93% of guest packaging** (excluding SUIs) is made **from renewable, recyclable or recycled sources**.
 - **97% of paper-based packaging** (excluding SUIs) is made with fiber **from certified sources** committed to the growth and conservation of forests.
- Completed **restaurant waste audits** to better understand our waste volumes across Recipe.



GREEN DESIGN & CONSTRUCTION

ENERGY & WATER MANAGEMENT: WE REDUCED OUR CONSUMPTION BY 15%

As Canada's largest full-service restaurant company, with over 1,200 restaurants located from coast-to-coast, we have a responsibility to understand our environmental footprint and take meaningful action to reduce the impact of our operations.

In 2018, we kicked off our sustainability journey by measuring our energy (i.e. electricity and natural gas) and water consumption baselines and defining our 2018-2021 Strategic Energy Management Plan (SEMP)* which set out our goal of reducing our energy and water consumption by 15% by the end of 2021.

To achieve our SEMP targets, we partnered with our iconic brands to complete **299 initiatives that deployed innovative energy and water saving technologies** in our restaurants, including:

- **Learning thermostats** that adjust heating and cooling to provide the ideal temperature
- **Kitchen hood optimization** including sensors that automatically control fan speed, venting and airflow to deliver a quieter, more comfortable cooking experience for kitchen teammates
- Energy efficient **LED lighting**
- **Walk-in freezer controls** and **refrigeration system improvements** to optimize energy use in both the walk-in cooler and freezer boxes
- **Low-flow water fixtures** that enable a more water efficient clean up

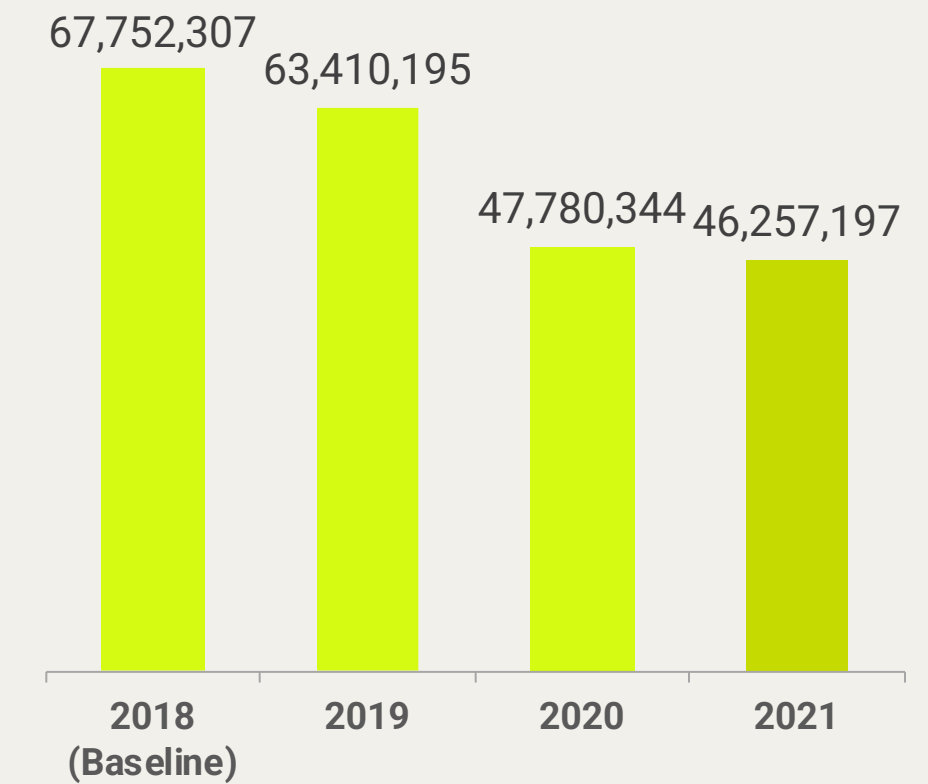
With our conservation efforts bolstered by COVID-19-related closures and reduced operations in 2020 and 2021, we will continue to monitor our achievement of this goal in 2022.

*Our SEMP baselines and results are based on total energy consumption and total water consumption across like-for-like locations for which we have 2018, 2019, 2020 and 2021 energy and/or water use data.

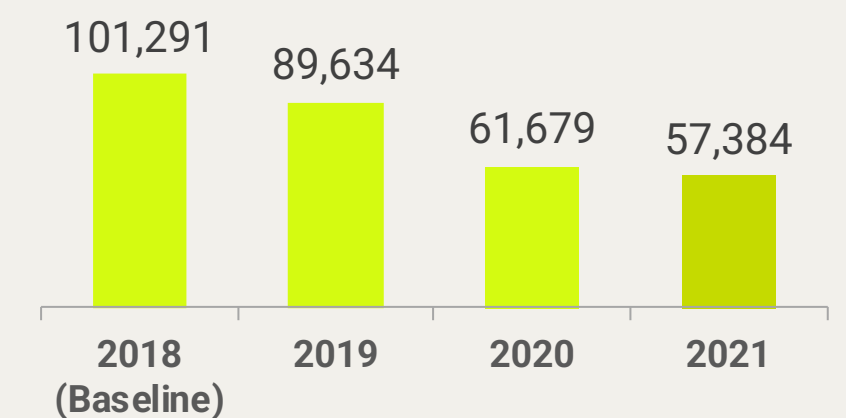


We are proud to have **reduced our energy and water consumption by 15%**, achieving the ambitious SEMP targets we set in 2018.

Total Energy Consumption** (kW-e)



Total Water Consumption** (m³)



** The SEMP baselines and results are based on total energy and water consumption across the 62 locations for which we have energy (electricity and gas) use data and the 24 locations for which we have water use data for 2018, 2019, 2020 and 2021. Consumption results for 2020 and 2021 are reflective of reduced operations as a result of COVID-19.

GREEN DESIGN & CONSTRUCTION

GREENHOUSE GAS (GHG) EMISSIONS

At Recipe, we acknowledge that climate change is a serious issue that requires concerted action, and while we have achieved our initial energy and water use reduction goals (i.e. SEMP), there is much more we need to do.

The next multi-year phase in our sustainability journey, which we are kicking off in 2022, will entail:

Measuring our GHG Emissions

Beginning 2022

- Assess our carbon emissions for Scope 1, 2 and priority Scope 3 categories

Defining our GHG Strategy & Reduction Targets

Beginning 2023

- Identify new or enhanced opportunities for reducing our GHG emissions
- Define meaningful reduction targets
- Build a GHG strategy with prioritized initiatives and a roadmap that will enable us to achieve our reduction targets

Executing & Monitoring our Progress

2023 & Beyond

- Execute initiatives and monitor progress towards our GHG reduction goals

We are excited about the next phase in our sustainability journey as it will help complement and amplify the meaningful actions we are already taking to reduce our carbon footprint.



ACTIONS WE ARE ALREADY TAKING TO REDUCE OUR CARBON FOOTPRINT

- Implementing **energy & water conservation technologies** through restaurant retrofits, renos and new builds (e.g. LED lighting, learning thermostats, walk-in freezer controls, demand control kitchen ventilation, low-flow water fixtures and tap aerators).
- Switching to 'cleaner' energy by **replacing natural gas kitchen equipment with electric kitchen solutions** in select restaurants.
- Promoting the efficiency and longevity of kitchen technology through a **facilities and maintenance training program**.
- Transitioning to **hybrid/electric vehicles at St-Hubert**, and purchasing **carbon offsets** for emissions generated by St-Hubert's fleet of delivery cars.
- **Recycling our e-waste** from head office and restaurant locations.
- **Donating surplus food** through our distribution centres.
- Enabling a **hybrid/virtual workplace**, helping reduce emissions resulting from employee commuting.
- Supporting **carbon sequestration programs** through Harvey's tree planting initiative in partnership with Tree Canada.



HARVEY'S IS PARTNERING WITH TREE CANADA TO HELP KEEP CANADA A BEAUTIFUL THING!

Harvey's is committed to sustainable initiatives across its operations in Canada including transitioning to eco-friendly packaging, deploying energy and water saving technologies, sourcing at least 30% of its Original Burger beef from farms certified by the Canadian Roundtable for Sustainable Beef, and as of 2021, helping plant trees from coast-to-coast in partnership with Tree Canada.

In 2021, through its tree planting initiative, Harvey's helped plant approximately **35,000 trees across Canada, 10,000 more than originally planned!** The goal for 2022: 50,000 trees planted in partnership with Tree Canada.

Enhancing our forests and urban green spaces has many environmental, social and economic benefits because trees*:

- Sequester carbon, helping reduce the greenhouse effect
- Provide food and a home for numerous animals
- Help prevent soil erosion
- Help with energy conservation by providing shade, cooling and wind reduction
- Help enhance property values
- Support psychological and physical wellbeing (e.g. boost mood, enable recreation)

In addition to its tree planting initiative and other sustainability efforts, Harvey's, along with other brands in Recipe's portfolio will also actively participate in helping us measure our GHG emissions baseline with the aim of setting meaningful GHG reduction targets for the future.

* Sourced from [Tree Canada: The Benefits of Trees.](#)



SUSTAINABLE PACKAGING

Guest packaging has always played an important role in helping Recipe deliver an exceptional dining experience especially when guests choose one of our quick-service brands, or our takeout or delivery channels. The COVID-19 pandemic merely amplified how vital guest packaging is in our restaurant operations.

Given our size and scale, we are continuously looking for new and innovative solutions that further enhance the sustainability of the packaging we use across our 1,200+ restaurant locations in Canada.

We believe that a robust sustainable packaging strategy should include a reduction and diversion component, which we have integrated into our Guiding Principles for Sustainable Packaging that we actively use to determine the improvements we need to make to our guest packaging.



RECIPE'S GUIDING PRINCIPLES FOR SUSTAINABLE PACKAGING

- Eliminate or reduce single-use items (SUI), especially plastic, wherever possible.
- Replace plastic packaging with more sustainable options wherever possible.
- Increase the recyclability of packaging and SUIs to divert packaging from landfill.
- Increase recycled content in our packaging to support the circular economy by creating demand for recycled materials.
- Seek out packaging products made from materials that we know can be diverted from landfill because the necessary recycling or processing facilities currently exist across Canada.
- Work with vendors to improve the quality and affordability of more sustainable packaging products.
- Ensure packaging specifications continue to align with evolving municipal, provincial and federal bylaws and legislation.
- Advocate across all levels of government for more harmonized approaches to packaging legislation.

SUSTAINABLE PACKAGING

WE ARE SWITCHING TO PFAS-FREE PACKAGING & SINGLE-USE ITEMS

Since 2018, we have been partnering with our iconic restaurant brands to identify, pilot and launch packaging solutions that align with our Guiding Principles for Sustainable Packaging.

In our 2020 CSR Report, we made four important commitments to further increase the overall sustainability of our packaging. One of these important commitments is to **only use PFAS-free packaging and single-use items (SUIs) across our restaurants.**

The guest packaging and SUIs Recipe uses across all of our iconic brands and restaurants in Canada will be PFAS-free beginning in the Fall of 2022!*

We completed this goal as planned by the end of 2021 for all our original in-scope brands, and are working with our two newest acquisitions, The Burger's Priest and Fresh, to transition them to PFAS-free solutions later this Fall.



WHY WE'RE ELIMINATING PFAS FROM OUR PACKAGING

Per- and polyfluoroalkyl substances (PFAS) are a group of manufactured chemicals first developed in the 1940s. Known for their stain, grease and water resistance and repellent properties, PFAS are used in various industry and consumer (household) products, for example in non-stick cookware, cleaning products, personal care products and cosmetics, paints, varnishes and sealants, stain / water resistant textiles as well as food packaging containers / wrappers.

Given their chemical properties, PFAS do not readily breakdown and are sometimes referred to as "forever" chemicals. Due to their use and longevity, PFAS can be present in our home and work environments, water, soil, air and food.

Recent studies suggest that these chemicals can build up in our bodies and have harmful health effects in people including increased risk of some cancers**.

As a result, we want to **DO THE RIGHT THING** and use PFAS-free packaging and single-use items (SUIs) across our restaurant brands.

* Based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates as well as single-use items (e.g. napkins, straws, cutlery) sourced throughout 2021 for use across our full network of corporate and franchise restaurant locations as well as 6 joint venture locations in Canada. The results reflect data across all brands except for Milestones, and 1909 Taverne Moderne joint venture which we divested in 2021. The results also exclude St-Hubert manufacturing/retail.

** Refer to the [Health Canada website](#) for additional information.

SUSTAINABLE PACKAGING



WE ARE ALSO SWITCHING TO RENEWABLE, RECYCLABLE & CERTIFIED PACKAGING

We are making steady progress across our other three important sustainable packaging goals, which we are on track to achieve by end of 2022 as planned:

GOAL

All guest packaging (excluding SUIs) will come from renewable, recyclable or recycled sources.

All plastic-based packaging (excluding SUIs) will be recyclable, and where possible, made of recycled content.

All paper-based packaging containers (excluding SUIs) will come from certified sources.

PROGRESS

93%*
(↑ 3% from 2020)

78%*
(↑ 7% from 2020)

97%*
(↑ 2% from 2020)

To deliver on our four sustainable packaging goals, we need to find sustainable alternatives for 295 packaging and single-use items that we use across our restaurants in Canada. To date, nearly 90% of these items have been fully transitioned to sustainable solutions or are in the process of being rolled out from coast-to-coast.

* The results are based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates sourced throughout 2021 for use across our full network of corporate and franchise restaurant locations as well as 6 joint venture locations in Canada. The results reflect data across all brands except for Milestones and 1909 Taverne Moderne joint venture which we divested in 2021. The results also exclude St-Hubert manufacturing/retail.

SUSTAINABLE PACKAGING

SWISS CHALET WINS THE PAC GLOBAL AWARD FOR SUSTAINABLE (PACKAGING) DESIGN

Swiss Chalet, Canada's iconic full-service family restaurant brand, started its sustainable packaging journey in 2018. With the onset of COVID-19, guest packaging became ever more central to Swiss Chalet's operations as guests turned to takeout and delivery channels rather than dining at one of the restaurants. The pandemic further amplified the brand's desire and urgency to move away from plastic packaging to more sustainable packaging solutions.

In partnership with WestRock, a leading provider of differentiated paper and packaging solutions, as well as Jump Branding and Design, Swiss Chalet designed and tested numerous options, ultimately creating a suite of innovative paper packaging that is made in Canada from:

100% recyclable and recycled materials, derived from certified sources committed to the growth and conservation of forests

Swiss Chalet estimates that by moving to their new paper-based packaging, they will **avoid using over 31 million plastic containers and lids each year across Canada.**

In February 2022, Swiss Chalet alongside its packaging partner WestRock, won the PAC Global Award for Sustainable Design which celebrates packaging designed for circularity featuring reduction, reuse, recycled content, recyclability and/or compostability.



**WINNER
BEST IN CLASS**

**2022
GLOBAL
AWARDS**

pac

Swiss Chalet's new packaging, developed in partnership with WestRock and launched in October 2021 across Canada, has won the PAC Global Award for Sustainable Design. This innovative paper-based packaging will help eliminate the use of 31 million plastic containers and lids each year!



WASTE MANAGEMENT

WE HAVE CONDUCTED AUDITS TO BETTER UNDERSTAND THE WASTE GENERATED IN OUR RESTAURANTS

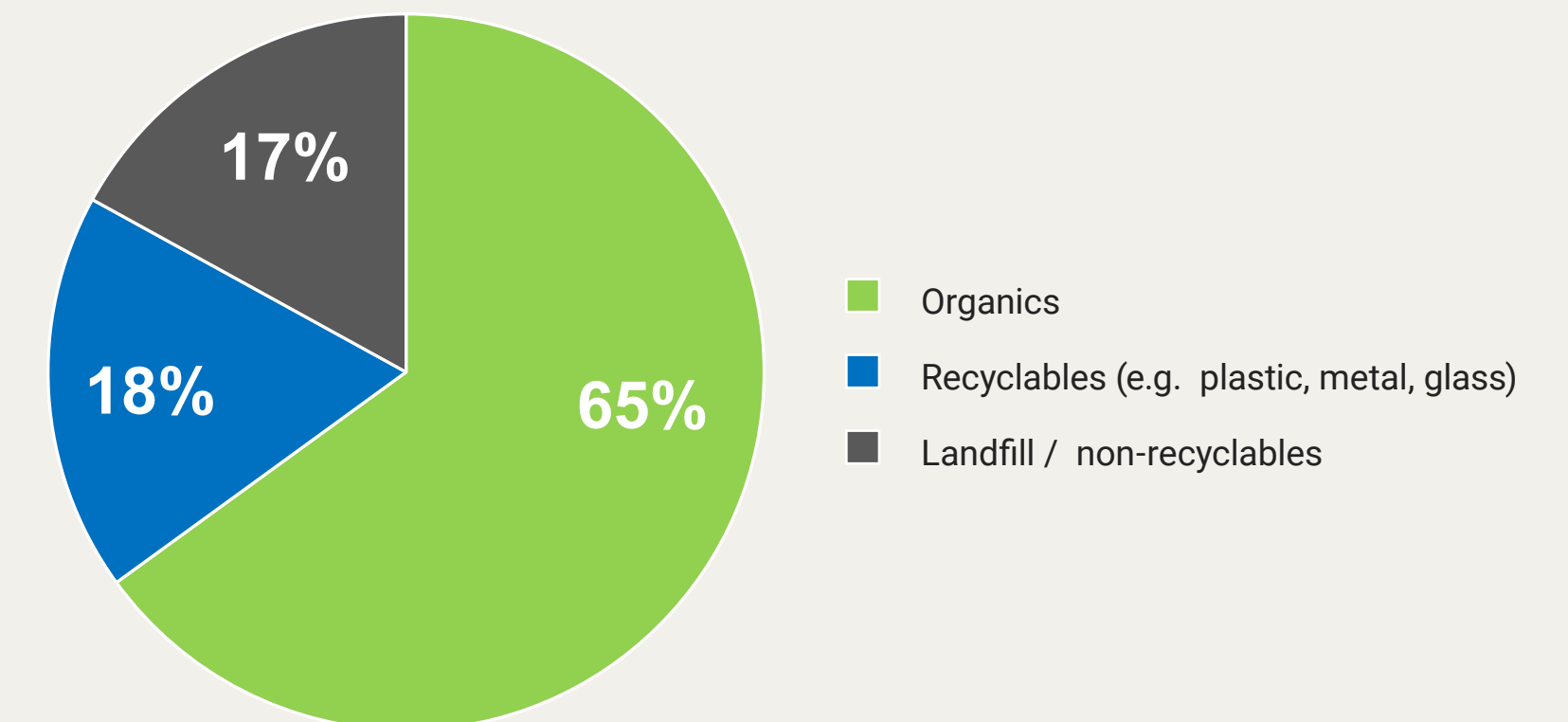
In our 2020 CSR Report, we made a commitment to conduct waste audits by the end of 2022 to better understand how much and what type of waste we produce in our restaurant operations.

We kicked off the waste audits in late-2021, with four locations for each participating brand taking part. We focused the waste audits on our larger brands and unique concepts that would allow us to gather the right breadth of representative data which we could apply to the rest of our portfolio. Brands that participated in the audits include Swiss Chalet, St-Hubert, Harvey's, Kelseys, Montana's and East Side Mario's.

Waste generated over a 24-hour period at each location was categorized and weighed, and information about the food returned from the dining room was also collected.

Directional estimate of waste produced in our restaurants in 2021 leveraging our waste audit findings: 21,728 metric tons**

Waste Composition*



We are now working with our brands to dive deeper into the results of our waste audits to identify and prioritize opportunities for better managing our waste through reduction and/or diversion initiatives.

* Waste audits did not include assessment of corrugated cardboard given the 24-hour data collection period would not have provided a sufficient and representative volume of this material.

** We aggregated The Keg's 2021 actual waste volumes and leveraged brands' 2021 guest counts, along with guest counts and waste generated on audit day (i.e. landfill, organics, recyclables (not including corrugated cardboard)) to extrapolate Recipe's waste volume for 2021.

PROGRESS AGAINST OUR PLANET COMMITMENTS






GOAL STATUS:  COMPLETE  ON TRACK  OFF TRACK / BELOW TARGET

We are proud of the progress we are making against many of the Planet goals we first communicated in our 2020 CSR Report.

PLANET	OUR COMMITMENTS	STATUS	PROGRESS
Green Design & Construction	Partner with our quick-service and newly acquired brands to establish energy and water use baselines by the end of 2022 .		We have onboarded our quick-service and newly acquired brands to our energy management platform. Next, we will be aggregating their energy and water utility bills to calculate the necessary baselines by the end of 2022 as planned.
	Beginning January 2023 , corporate full-service restaurant renovations will achieve a 25% reduction in energy consumption and a 20% reduction in water consumption (relative to our 2018 baselines).	TBC	Having achieved our Strategic Energy Management Plan (SEMP) which focused on reducing our energy and water consumption by 15% by the end of 2021 from our 2018 baselines, we have a solid foundation to build from as we continue our work to achieve these three important commitments. In late-2021, we reviewed and enhanced our renovation and new build design standards to incorporate a core set of energy and water saving technologies that we believe will enable our achievement of these targets. Next, we will be gathering consumption data from upcoming renovations and new builds to further refine our models and validate the progress we are making against these goals. A more thorough update will be provided in next year's CSR Report.
	Beginning January 2024 , new corporate and franchise full-service restaurants built will achieve a 25% reduction in energy consumption and a 20% reduction in water consumption (relative to our 2018 baselines).	TBC	
	Beginning January 2023 , franchise full-service restaurant renovations will achieve a 10% reduction in energy consumption (relative to our 2018 baselines).	TBC	

PROGRESS AGAINST OUR PLANET COMMITMENTS

GOAL STATUS:  COMPLETE  ON TRACK  OFF TRACK / BELOW TARGET

PLANET	OUR COMMITMENTS	STATUS	PROGRESS
Sustainable Packaging	By the end of 2021 , we will eliminate PFAS from our packaging and single-use items (SUIs).*		As planned, we are PFAS-free across all the packaging and SUIs that were part of the original scope when we defined this goal* in May 2021. Later that year, we acquired The Burger’s Priest and Fresh, with whom we’ve been working to identify packaging and SUIs containing PFAS and transition them to PFAS-free solutions. Given these changes to our brand portfolio, at the end of 2021, we eliminated PFAS from 99.7% of our packaging and SUIs. We anticipate to be PFAS-free across our two remaining brands during the Fall of 2022.
	By the end of 2022 , 100% of Recipe’s guest packaging (excluding SUIs) will come from renewable, recyclable or recycled sources .*		93% of the packaging (excluding SUIs) we sourced in 2021 came from renewable, recyclable or recycled sources, and we are well on our way to achieving our goal of 100% by the end of 2022 including for those brands that were originally not in scope (i.e. The Keg, The Burger’s Priest and Fresh).
	By the end of 2022 , 100% of Recipe’s plastic-based packaging (excluding SUIs) will be recyclable , and where possible, made of recycled content .*		78% of the plastic packaging (excluding SUIs) we sourced in 2021 was recyclable, and where possible, made of recycled content, and we are well on our way to achieving our goal of 100% by the end of 2022 including for those brands that were originally not in scope (i.e. The Keg, The Burger’s Priest and Fresh).
	By the end of 2022 , 100% of Recipe’s paper-based packaging containers (excluding SUIs) will come from certified sources committed to the conservation of forests.*		97% of the paper packaging (excluding SUIs) we sourced in 2021 were third-party certified, and we are well on our way to achieving our goal of 100% by the end of 2022 including for those brands that were originally not in scope (i.e. The Keg, The Burger’s Priest and Fresh).
Waste Management	By the end of 2022 , we will conduct waste audits to measure and understand our baseline tonnages for garbage, compost, recycling and diversion rates across Recipe, and have visibility to recycling and organics programs and facilities that exist near each of our corporate and franchise restaurant locations in order to inform clear targets for waste diversion across our operations in Canada.		The audits kicked off in late-2021, and included four locations for each of our 6 key participating brands: Swiss Chalet, St-Hubert, Harvey’s, Kelseys, Montana’s and East Side Mario’s. Waste generated over a 24-hour period at each location was categorized (i.e. garbage, compost, recycling) and weighed, and information about food returned from the dining room was also collected. The audit results were used to extrapolate Recipe’s 2021 waste volumes. Analyses are underway to estimate our diversion rates, and we are in the process of gathering information about the recycling and organics programs and facilities that exist near each of our corporate and franchise restaurant locations in Canada.

Statements about our progress and status are made as of July 25, 2022.

* Our 2020 baseline performance and goals set in May 2021 did not include data from The Keg, The Burger’s Priest, Fresh, and St-Hubert manufacturing/retail.

FORWARD-LOOKING INFORMATION

All forward-looking statements in this CSR report are made as of July 25, 2022 and are qualified by these cautionary statements.

This CSR report contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information may relate to Recipe’s future outlook and anticipated events or results and may include information regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, plans and objectives of Recipe. Particularly, information regarding future results, performance, achievements, prospects, commitments or opportunities of Recipe is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology, such as “plans”, “commits”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”.

Discussions containing forward-looking information may be found throughout this CSR report, including, more particularly, under the “Progress Against our Commitments” headings. These statements about forward-looking information include, among other things, statements relating to Recipe’s:

- commitment to increase diversity among employees and to retain talent from diverse backgrounds;
- plan to link the remuneration of Recipe’s Leadership Team and above to CSR goals;
- commitment to stated sustainable food sourcing goals;
- intention to include healthy choice meal options in Kids’ Menus;
- improved processes with respect to food supply and surplus food;
- goals for energy and water consumption reduction;
- elimination of PFAS and increased use of sustainable packaging; and
- waste management processes and goals.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by Recipe in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Recipe believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct.

Forward-looking information is necessarily based on a number of the opinions, assumptions and estimates that, while considered reasonable by Recipe as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following factors many of which are described in greater detail under the heading “Risk Factors” in Recipe’s Annual Information Form dated March 22, 2022 available on SEDAR at www.sedar.com: the development and execution of implementing strategies to meet Recipe’s stated goals and commitments; unexpected events during operations; delay or failure to receive any necessary board approvals; Recipe’s ability to implement any technology necessary to efficiently and effectively achieve goals and commitments; Recipe’s ability to implement requisite operational changes; the commercial viability and scalability of energy and water consumption strategies; Recipe’s ability to deploy sufficient capital to fund the necessary expenditures to implement the necessary operational changes to achieve its commitments; development and growth of end market demand for sustainable products and solutions; the performance of third parties; general global economic, market and business conditions; fluctuation of quarterly operating results; the restaurant industry generally; competition with other franchisors; quality control and health concerns; food safety and public safety issues; security breaches of confidential guest information; COVID-19 (Coronavirus); damage to Recipe’s reputation; availability and quality of raw materials; reliance on suppliers; growth of Recipe; franchisees; franchise fees and other revenue; franchisee relations; opening new restaurants; integration of acquisitions and brand expansion; achieving expected synergies from acquisitions; retail licensing opportunities; seasonality and weather; regulations governing alcoholic beverages; laws concerning employees; dependence on key personnel; unionization activities that may disrupt Recipe’s operations; reliance on information technology; intellectual property; lawsuits; regulation; and Recipe’s insurance coverage. These factors and assumptions are not intended to represent a complete list of factors and assumptions that could affect Recipe and its ability to achieve its goals and commitments. These factors and assumptions, however, should be considered carefully.

Although Recipe has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Recipe does not undertake to update any forward-looking information contained herein, except as required by applicable securities laws.